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Previous references.
Rel 26–158 112 B. Jany 1916

File No. 14–16

1916.
(Local Bs.)

Serial Nos. 112

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 112

Part B for August 1916

SUBJECT.

Memo from the Comptroller, Mysore Government, making certain suggestions and forwarding a set of questions applicable to the audit of the Local Fund Accounts.

G.O. Nos 1030–41 dt. 2.8.16.

Passes orders on the memo of instructions from the Comptroller for the guidance of the Finance Committees of the District Boards and a set of questions to be answered by them relating to the audit of District Fund Accounts.

W D 88—GPB—50,000—24-7-16

Rel Parcel 31-10-16

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General and Revenue Secretariat.

LB File No. 14 of 1916-17

Serial No.

2 4) To The Comptroller to Government.
" President of District Boards.
" President Lany. Board, Kly. F.
" Superintendent, Govt. Press.
" Superintendent, Govt. Stationery
Govt. order No. 1030-41 Dated 2-8-16.

Passes orders on the memo of instructions from the Comptroller for the guidance of the Finance Committees of the Dist. Boards and a set of questions to be answered by them relating to the audit of the District Fund Accounts.

NOTE—Contn. sheet

GPB—70,000—17-12-15

Enc. to L.B 14-16-1 (4

Appendix

A. Suggestions for audit.

Memo of instructions for examination of District Fund accounts every month by Financial Committees appointed under section 22(1) of the Mysore Local Boards Regulation II of 1902.

The general principles of examination, as contained in para 137 of the Rules, under the Local Board Regulation, published as notification No.2360-L.B.265-12-2 of the 2nd September 1914 are:-

(1) Whether the books and accounts prescribed for the District Board Office have been posted to the end of the month for which the accounts are submitted;

(2) Whether the Pass Book has been checked with the cash book and made to agree;

(3) Whether all payments are made to the proper persons to whom they are due and are duly supported by vouchers and so recorded that a second claim on the same account cannot be admitted, and whether the vouchers are in due form and have been daly cancelled;

(4) Whether the revenues collected during the month by the Local Board agency have been duly remitted to the Treasuries in the same month;

(5) Whether every item of expenditure is covered by due authority and budget provision;

(6) Whether all necessary steps have been taken for adjustment of outstanding advances;

(7) Whether cheques issued on account of contributions for Dispensaries are for the prescribed amounts;

(8) Whether the objections taken by the Comptroller are promptly attended to;

(9) Whether the totals in the columns of "transfers" on both sides of the cash book correspond, and

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(10) generally, whether the accounts have been carefully, accurately and properly prepared.

Note:- The above general instructions require to be materially amplified.

2. Before taking up the accounts for examination, the Finance Committee should have the following books of reference:-

(i.) The Local Boards Regulation II of 1902 with amendments up to date,

(ii) Rules issued under the Regulation with amendments up to date,

(iii). The latest administration report,

(iv.) Sanctioned budget for the year current,

(v.) The District Board Proceedings book,

(vi) Office order book of the President's Office, and

(vii) File of circulars issued by the Comptroller and the Government.

3. The Committee should first satisfy themselves whether their previous report was considered by the District Board and necessary action taken in respect of it.

4. The examination to be conducted by them may be divided into four parts, viz:-

Part I. The checking of every entry in the few important registers- Cash book, Petty cash book &c with reference to original chellans and vouchers and other records.

Part II. The check of expenditure- Vouchers.

Part III. The test examination of receipt items.

Part IV. Lastly, a general review and examination of the monthly accounts and other registers.

5. Definite suggestions regarding the work to be done under each of the above heads are given below and the set of questions relating to each part should be taken and answered in accordance with those instructions.

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Part ⅋ 1.

6. The following books and records should be examined in detail for the month under examination in accordance with the instructions given below and the set of questions answered simultaneously with such examination.

i. The cash book (form 5)

ii. Petty cash book

iii. Imprest account (form 21)

iv. Acquittance roll

v. Bill or voucher file (for expenditure incurred)

vi. Receipt books, remittance registers or other original records evidencing receipt of money.

7. The cash balance on xh hand in the President's Offic should firest be examined and verified with the book balance worked up to date of check in the Petty cash book. It should also be seen whether a petty cash book as distinguished from the cash book is maintained and whether the distinction between the two books is correctly understood.

The cash book is intended to shew all receipts and payments pertaining to the District Fund and is the principal account with reference to which the abstract registers of receipts and payments, the monthly account, the deposit and other subsidiary registers are either prepared or verified.

The Petty Cash book on the other hand, will, if properly maintained, ensure the proper utilisation of all money received in the President's Office (either in cash or by cheque)

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whether as

~~No. 5212-25—ML. 126-15-2, DATED 15TH JANUARY 1916.~~

whether as creditable to the ~~Municipal~~ District Fund, or on account of payments to be made from that ~~the Municipal~~ Fund to the establishment as pay or to contractors, etc., for work done.

8. The entries in the ~~general~~ cash book should be examined in detail, item by item, the receipt entries with the original chellans, remittance memos, receipt books or other original records produced in support of them, and the debit entries with the vouchers serially numbered for each month and filed.

9. In the petty cash book the receipt entries relating to revenue received in the ~~Municipal~~ President's Office will be checked with the credits in the general cash book, while those regarding money and cheques received for disbursement will be checked with reference to the expenditure entries in the ~~general~~ cash book. The debits in the petty cash book are to be examined with reference to payees' receipt or other legal acquittances obtained.

~~9. In the two City Municipalities of Bangalore and Mysore and in other big Municipalities having heavy transactions, where the detailed checking of the entries in the general and petty cash books is arranged to be performed by an audit clerk, the auditors should satisfy themselves about the correctness of the entry in these books by checking a percentage of them.~~

10. The further examination of the several books, etc., mentioned in para 6 is clearly indicated in the printed set of questions.

PART II.—(*Expenditure Audit.*)

11. As under existing orders the pay of establishment in all ~~Municipalities other than the two cities, *vide* exception to Rule 6, Municipal Account Manual,~~ Taluk Boards except the President's Office of the is drawn on bills ~~and in many Municipalities the Presidents have not their headquarters within Municipal limits,~~ the system of examination of expenditure vouchers will not be the same in all ~~Municipalities.~~ Cases

12. In the ~~two City Municipalities of Mysore and Bangalore~~ cases of President's office, where all ~~Municipal~~ claims including establishment pay, etc., are paid by the President by means of cheques, and all the paid bills are filed in his office, the auditors will have full materials for a thorough and complete audit of expenditure, and for satisfying themselves by such examination that all expenditure is covered by provision in the budget, that it is incurred under proper sanction, and that payments made have been so recorded as to guard a second claim being preferred and paid.

13. The printed set of questions 1-24 to be answered sufficiently indicate the procedure to be adopted by the ~~auditors~~ Committee. The arithmetical checking of the entries in the Public Works bills and the measurements may be done by the audit clerk.

12. In respect of the second class of Municipalities, *viz.*, district headquarter Municipalities and others, where the Presidents have their offices in the Municipal limits, the audit will cover all expenditure paid on cheques, *e. g.*, Public Works contingencies, etc., other than those relating to establishment claims, which are drawn directly from the Treasuries on bills, and the procedure indicated above will *mutatis mutandis* be followed. All the questions except 4-9 are applicable and should be answered.

13. In the remaining Municipalities having absentee Presidents, however, the auditors will not have full materials for a thorough examination of expenditure as the original bills and vouchers are filed in the offices of the Presidents. The audit in such cases will be conducted only generally in accordance with the instructions given in para 1 and with reference to the debit entries in the general cash book, counterfoils of payees' receipts, and other records maintained in the office of the Vice-President. The questions 1-24 of this part need not be answered by them.

PART III.—(*Audit of Receipts.*)

14. This is an important item of work and the ~~auditors~~ Committee should pay their special attention to it. Not much of technical knowledge is here required and the ~~Municipal Councillors~~ Finance Co have a distinct advantage in this respect over the Government auditors in that they can bring to bear their local knowledge, detect cases of malpractices of keeping back money collected, of making alterations in receipts, of peculation by subordinate employees, omissions of demand, etc.

15. The ~~auditors~~ Finance Committee should see generally that—

1. a regular record of all sums due to the ~~Municipality~~ Board is maintained,
2. that adequate steps are taken for their regular and prompt collection, and
3. that all items of money received by ~~Municipal~~ the employees have been duly brought to account in the ~~Municipal~~ Board Office and remitted to Treasury without undue delay.

16. The ~~auditors~~ Committee should first ascertain and note the various items of revenue and receipts of the ~~Municipality~~ Board as entered in the budget and see whether proper demand and collection ~~registers~~ Statements have been maintained in respect of all of them and in the prescribed forms.

The entries in the several demand and collection registers should then be examined, with reference to the counterfoils of receipts, remittance registers or other records in detail for the whole month or for a few days in the month selected at random as may be desired by the Municipal Council, and the printed set of questions answered.

PART IV.

~~18.~~ No special instructions in addition to what have already been given seem necessary in respect of the work under this part, and the printed set of questions indicate fairly clearly, the line of procedure to be adopted.

~~19.~~ The ~~auditors~~ Finance Committee may of course examine any registers or other records, not specifically mentioned here, with a view to detect and put a stop to irregularities or malpractices that may be suspected to have been committed, and frame additional questions for being answered by them.

~~20.~~ After the completion of the audit above described the ~~auditors~~ members of the Committee should affix their signature in the general cash book in token of their examination, and prepare a complete set of answers to the printed questions, Parts I to IV, for submission to the ~~Municipal Council~~ District Board and needful further action. No separate audit report need be drawn up by them except when they consider it necessary to refer to irregularities noticed by them or to make suggestions for the consideration of the ~~Municipal Council~~ Board.

B. QUESTIONS TO BE ANSWERED BY THE ~~HONORARY AUDIT~~ FINANCE COMMITTEES.

PART I.

1. ~~*General Cash Book, Form No. 98, Rules 352-355, M. A. M.*~~ *Cash Book, Form No. 5, Rules 83-124.*

(1) Is it posted up to date?

(2) Has it been closed for the month under audit, signed by the President or Vice-President, and the closing balance agreed with the Treasury pass book as required in Rule ~~355, M. A. M.~~?

(3) Has a chellan been obtained for every entry of receipt and have all such chellans been properly filed? Mention the omissions, if any.

(4) Has any item of money which appears to have been collected by reference to the original receipts or other records been omitted to be brought on the cash book or remitted to treasury? If so, why?

(5) Is a bill (voucher) obtained in support of every debit entry and is it serially numbered?

(6) Are all the bills supported by proper payees' receipts either separately taken or recorded on the bills themselves?

(7) Mention the instances where proper payee receipts have not been obtained and the reasons therefor as far as they can be ascertained.

2. *Petty Cash Book, ~~Form No. 92, Rule 337, M. A. M.~~*

(1) Is it written up to date and are the balances struck daily and verified?

(2) Has every entry in it been initialed by the President or Vice-President ~~or Secretary or at least the Manager of the Municipal Office~~?

(3) What is the balance of cash, cheques, etc., on hand and does it agree with the balance as shown in the book?

(4) In whose custody is the money kept; if the money is in the custody of any official subordinate to the President or Vice-President has proper security been obtained from him?

(5) What are the details for the cash balance on hand? Mention the amounts under the several heads, revenue received but not remitted, undisbursed pay, etc., imprest and other items.

(6) Has any amount of money received in cash or by cheque on account of pay or travelling allowance or as payable to contractors been kept on hand for over a month and if so, why?

(7) Mention the reasons for keeping on hand of any items of revenue or other receipts unremitted to treasury.

(8) Mention the omissions, if any, noticed of instances of money or cheques received in the ~~Municipal~~ office but not recorded in the petty cash book.

9) Are the recoupments of imprest and the daily total of receipts and payments on account of pay and travelling allowance regularly incorporated in the petty cash book?

No. 5212-25—ML. 126-15-2, DATED 18TH JANUARY 1916.

3. *Imprest Account or Contingent Register, Form No. ~~88, Rules 310-316~~.*

(1) Is a regular imprest account or permanent advance or contingent register maintained and posted up to date?

(2) Does the imprest balance shown in this book agree with the details shown in reply to question 2 (5)?

(3) Is the imprest regularly recouped at least once a month?

(4) Are there any advances or irregular payments made out of it, and unadjusted?

4. *Acquittance Roll, ~~Form No. 85, Rules 299-305 and 379, M. A. M.~~*

(1) Has an acquittance roll been maintained ~~in Form No. 85~~ for recording the disbursement of pay and travelling allowance to ~~Municipal~~ employees, and are regular acquittances taken in all cases (with receipt stamps also for payments exceeding Rs. 20)?

(2) Does the total of undisbursed pay, etc., as per this book agree with the balance shown in reply to question 2 (5)?

(3) Is undisbursed pay outstanding at the end of each month invariably shortdrawn in the next month's bill.

(4) Is the establishment pay drawn as per scale provided for in the budget, and shown in an establishment pay or check register? Form No. ~~283, *vide* Rule 285, M. A. M.~~

(5) Is insurance premium payable by the establishment regularly recovered and remitted to treasury? ~~*Vide* Rule 300, M. A. M.~~

5. *File of bills and vouchers.*

(1) What are the records produced for examination?

(2) Are they in continuous series?

6. *Receipts books, etc.*

(1) What are the several books produced for examination?

(2) Are they in continuous series?

(3) Are printed receipt books having counterfoils been invariably used in respect of all cases of receipts received from the public? ~~*Vide* rule in Rule 338, Form No. 20.~~

PART II.

Expenditure Audit.

(1) Are all the bills serially numbered for each month according to dates of payment, and are the references given in the ~~general~~ cash book? *Vide* Rule ~~339, M. A. M.~~ 110.

(2) Do they bear the pay ~~and paid stamps~~ ? *Vide* Rules ~~333 and 334, M. A. M.~~ 109.

(3) Are all of them supported by proper payees' receipts or other legal acquittances, either recorded on them or obtained separately? ~~*Vide* Rule 338~~. If not, mention the omissions.

(4) Are the establishment bills drawn according to the scale provided for in the sanctioned budget and entered in an establishment check or pay register? (Form No. ~~283~~, Rule ~~285, M. A. M.~~ 86) and are they copied out exactly in the acquittance roll? *Vide* also question 4 (4), Part I.

(4*a*) Are the pay and allowances drawn in accordance with rules? *Vide* Rules ~~27 and 286, M. A. M.~~ 86

(5) Is every establishment bill (original) accompanied by an absentee statement or contra certificate?

(6) Is an increment or conveyance certificate attached in all cases where the bill includes claims on account of periodical increments granted or conveyance allowance drawn?

(7) In the supplemental bills drawn for arrear claims are the references to the original bills in which the claims were held over for future payment or in which undisbursed pay was refunded, invariably given? Are there any arrear claims relating to pay, T.A., Commission & Honorarium Establishment and paid establishment charges, uniforms pending?

(8) Has note of the payment of such claims been made against the corresponding entry in the original bill to guard against second claims being prepared and passed?

(9) In cases of arrear claims exceeding two years has sanction of Government been obtained?

(10) Are any travelling allowance claims paid without Comptroller's authority? Rule 86(b) Travelling allowance Rules 301-303, M. A. M.

(11) Are all travelling allowance bills prepared and paid copied out in the acquittance roll or in a separate register so as to guard against double claims being preferred?

(12) Are the amounts drawn on contingent bills Form No. 8, Rule ~~316~~ 86(c), provided for ~~in the budget~~? in the budget? Contingencies 310 315 321.

(13) Has every contingent charge been duly sanctioned by competent authority, the President or other subordinate officer authorised by him, ~~Municipal Council or~~ Government as the case may be in accordance with Rules ~~27 and 390, M. A. M.~~ 187, G. 187

(14) Have the purchases of articles of a non-perishable nature been duly entered in a stock account? ~~Form No. 78.~~

Commission bills, bill for refund of feeding charges, refund of revenue, repayment of deposits, etc., 89, 134 to 151, 230, 322 to 368.

(15) In respect of pound and other commission bills, bills for refund of feeding charges, refund of net sale proceeds of impounded cattle sold and credited to revenue as lapsed refund of revenue received and refund of deposits, etc., have the bills been prepared in the prescribed form?

(16) Have references been invariably given in them to the original audit entry in the ~~Municipal~~ office ~~general~~ cash book or other subsidiary registers, and note of the claim having been preferred made in the latter to guard against double payment?

Public Works Rules 239-278.

(17) Are the bills for public work, prepared in the prescribed printed Form No. ~~75~~ 16 and are they arithmetically correctly made out in accordance with the entry in the measurement books (*vide* Rule ~~264, 102~~ M. A. M., ~~Form No. 74~~) and the register of Public Works Form No. ~~73~~.

(18) Is reference to the sanctioned estimate invariably quoted on every bill?

(19) Has any Public Works bill been paid in respect of any work without a duly sanctioned estimate, or in excess of such estimate or otherwise than in accordance with such estimate.

(20) Do the rates passed in the bill exceed in any case those entered in the schedule of rates Form No. ~~71,~~ 17 or the sanctioned estimates? If so details of such excesses should be given.

(21) Has any Public Works payment been made without proper provision or in excess of the provision made in the budget?

(22) Is the calculation of the entries of total quantity in the measurement books correctly made out in the cases (a certain percentage) selected for examination?

(23) Are there any cases of advances paid to contractors or others on account of work not executed and if so, what is the authority therefor?

(24) Are purchases of Public Works tools duly entered in a stock account ~~Form No. 78~~?

Part III.

Audit of Receipts

1. ~~A.~~ Assessed taxes, *i.e.*, house, ~~land, water, lighting and conservancy taxes and~~ monatarfa ~~and~~ taxes on vacant lands, and hittal, and shops.

Chapters III and IV—Rules 28-88.

(1) Have the assessment list, demand register or khate, collection and remittance register or khiradi, and the Kammi-Jasti or Mutation Register, been maintained in the prescribed forms, and have all of them been written up and authenticated for the year under audit? *Vide* Rules 28, 40, 52, 63, Forms Nos. 3, 10, 13, 22 and 7, M. A. M.

(2) Have the arrears outstanding at the end of the month of June preceding audit payable by each individual, or in respect of each individual property been completely made out and the totals verified with the entries made in the demand, cash and balance statement (Form No. 24) for the succeeding month of July.

(3) Have the postings of arrears and the items of current demand into the demand and collection registers been examined by anybody other than the writer?

(4) What is the system adopted for the collection of taxes? Are paid bill collectors appointed to work whole time or is the collection made through the hereditary agency of patel and shanbhog and in the former case has security been obtained from the collectors?

(4*a*) Is the system of issuing bills or receipts signed by the Vice-President in respect of assessed taxes laid down in the manual adopted? *Vide* Rule 59 et seque. M. A. M

(5) Are receipts granted in printed forms having counterfoil for all collection of taxes; mention may be made of items of credit for which no receipts appear to have been granted?

(6) Has the posting of every item of receipt as per counterfoil receipt book or other document into shanbhog's Khiradi been satisfactorily examined and the totals in the latter verified at the Municipal office at the time of each remittance? *Vide* Rules 65 and 67 M. A. M.

(6) Are all the counterfoils of receipts issued produced for examination and are they in chronological order?

(7) What is the percentage of entries selected by the auditors for examination?

(8) Has any item of money purporting to have been received by collectors or other subordinates been kept out of account and unremitted to Treasury?

(9) Are the arrangements made for the collection of current and arrear taxes satisfactory?

(10) Is the supervision exercised over the work of out-door subordinates effective?

(11) Are there any items of demand omitted to be brought on the assessment list or demand register or in respect of which the demand entered is unduly low or are there any cases of exemptions from taxation not authorised by the rules.

(12) Has the demand, collection and balance for the month prior to the month of audit been prepared and placed before the Council as explained in Rule 80, M. A. M.

(13) Are any items of demand brought on the remission list without proper scrutiny?

(14) Are the prescribed registers maintained for recording notices issued, warrants taken out and remissions granted? *Vide* Rules 70, 73, 83 & 86, M. A. M.

(15) When was the last general revision of taxes made?

II. Octroi—Chapter V—90-158.

(1) What are the several articles on which octroi is levied?

(2) Is the recovery of duty invariably made in accordance with the sanctioned rates and as entered in the Administration Report? *Vide* Rule 92.

(3) Are any ookads established to watch the import of dutiable goods and are the mutsaddis in charge of their posts empowered to collect duty and issue receipt, and if so, has proper security been obtained from them? Rules 96-106.

(4) What is the arrangement adopted for the collection and remittance of octroi duty and is it satisfactory?

(5) Are the entries in the counterfoils of receipts issued by the octroi official invariably examined at the head or Municipal office at the time of each remittance?

(5 *a*) Are all the counterfoils of receipts produced for audit and are they in chronological order?

(6) From an examination of entries for a few days selected in the counterfoil receipts for check are the auditors satisfied that every item of money received has been duly brought to account?

(7) Are there any erasures or alterations made in the counterfoils of receipts with a view to reduce the quantity of article imported or the rate of duty leviable, and if so, are they satisfactorily explained?

(8) Is a bonded warehouse established for the storage of articles pending recovery of duty and are proper storage fees levied?

(9) Are the importers allowed in any case to take goods into their shops before payment of duty?

(10) What is the result of the scrutiny of refund claims? Have proper precautions been taken against granting refunds in any case without tracing the credit and without note of the refund having been made against the credit entry?

~~*III. 3. Pounds—Rules 221-232.*~~

(1) Is the pound register maintained in the prescribed printed form and is it written up to date?

(2) Are all the counterfoils of admission receipts and release passes produced for audit, and are they in chronological order?

(3) Are the entries in the pound register invariably checked with the release passes in the Municipal office at the time of each remittance? What is the percentage of entries examined by the auditors?

(4) Is the entire amount of money recovered by the pound-keeper whether as fine or feeding charges remitted by him without keeping any portion with him and are the remittances made by the pound-keeper at least once a week at District or Taluk headquarters and once a fortnight at other places?

(5) Are any entries originally made in the counterfoils of admission receipts or release passes erased or otherwise tampered with? Give a list of the suspicious entries and the amounts of fine involved?

(6) Are the fines correctly levied in accordance with the Cattle Trespass Regulation and the feeding charges at rates sanctioned by the Municipal Council?

(7) Are all the records of sale of impounded cattle produced for examination and are the sale proceeds duly remitted to Treasury through a remittance register?

(8) When the pound-keeper is entertained on payment of commission on fines recovered, are the commission and feeding charges bills regularly prepared and paid and are the credits in the Municipal office cash book invariably traced and is the fact of prefering the claim noted against the entries to guard against a double claim

2/4. *Tolls and other miscellaneous items of revenue.*

(1) What are the several items of miscellaneous revenue and how are they collected whether by departmental management or by periodical payments as per contract or as sale proceeds at auction sales?

(2) Have the required demand and collection registers been maintained to ensure the prompt recovery of such receipts and their remittance?

(3) When the collection of tolls, or market fees is made through paid staff what are the reasons for not farming out the collection and are proper steps taken to ensure that all amounts collected are duly remitted?

(4) In the latter case are the khists regularly paid by the contractor and if not is penal interest invariably levied on belated payments?

(5) What are the several classes of license fees levied? Are printed forms of licenses used and are the fees recovered regularly brought to account?

(6) Has a register of all immovable property belonging to the ~~Municipality~~ Board been maintained ~~in Form No. 59~~?

Site Value Accounts.—Have all the sites in the possession of the ~~Municipality~~ been included in it

(8) Is the disposal of sites made during the period under audit under the orders of competent authority and is it duly noted in the register?

(9) Is a regular demand of site value receivable entered in a special register in ~~Form No. 43~~ and are the recoveries promptly made

(10) Have the sites sold to private persons during the period under audit been properly brought on the assessment list and regularly assessed to tax

Part IV.

General Examination of Accounts and ~~Ledgers~~.

Abstract Registers of Receipts and Payments 23 to 25

1. ~~Ledgers~~ and monthly accounts Forms Nos. ~~99 and 101~~, ~~Rules 356-361~~.

(1) Are the ~~ledgers (classified~~ abstracts written up day by day in the prescribed printed Forms ~~No. 99~~? 23 + 24?

(2) Are the adjustment entries also recorded in them? The monthly totals made out and the opening and the closing balances entered and agreed with the corresponding entries in the cash book.

Are the entries in the monthly accounts Form No. ~~101~~ 25 copied out from the ~~ledgers~~ abstracts as laid down in Rule ~~361~~ 126 for submission to the Comptroller?

(4) Are the corrections and alterations made in the monthly accounts and intimated by the Comptroller duly incorporated in the ~~ledgers~~ abstracts?

2. *Deposit register.*

(1) Have deposit registers been maintained in Form No. ~~102~~ 44 A and entries of receipts and expenditure regularly posted in them?

(2) Are totals made out monthly and ~~the plus and minus memo as laid down in Rule 367 prepared and~~ agreed with the entries in the ~~ledger~~ abstracts and monthly accounts?

(3) In all cases of refund of deposits (in cash) are precautions taken to verify the claim with the original credits, and to note the claim against such entries before making payments?

3. Advances, etc.

are there any advances other than permanent advances made from the funds of the Board, and if so, has an account been maintained to watch their prompt recovery? Ab 16.6.16

Audit of Dt Fund Accounts

(13)

G.R.S. 28]

Printed

L.R File No. 4-1b
Serial No. 2

Diary No. of letter replied to 57

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
( )

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READ—

Letter No- L-A-D 1315 of 30-th June 1916 from the Comptroller submitting a memo of instructions for the guidance of the Finance committees of the Dt Boards and a set of questions to be answered by them as embodying the result of their audit

Date of issue 3.6.16.

Signed by M B Srikantia Rao

ORDER THEREON.—No

over.

SUBJECT.

Printed in extenso as appendix

Printed 287

GPB—50,000—1-12-12

DC 14

of the District Fund Accounts

order no. 1030-41
DB14-16-2

92-816

The memo of instructions and the set of questions are approved and appended to this order.

Govt hope that this will enable the Finance Committees of Dt Bds to thoroughly and carefully check the Dt Fund accounts every month in order to ensure that the monthly accounts are punctually and properly prepared and the audit thereof by the Finance Committees is regularly conducted. Govt direct that the fair copy of the monthly account to be sent to the Comptroller every month to be signed

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

by the Chairman or Members of the Finance Committee in token of the examination of the accounts. The audit notes with the remarks of the Vice President or the Presidt should be placed before the Dt Bds for review at their meetings and copies thereof sent to Govt along with the proceedings of the Bds.

4. The Comptroller is requested to arrange with the Supdt of the Govt Press and Stationery to fix a sufficient number of copies of

GPB—20,000—7-7-14

4f. 16

the memo of suggestions
and the list of
questions printed
and submitted
the President.

N. 17

Print
f. 6

4/12/16

Hy Rev Lecy

Dy 8

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10/7/16

The Controller
The Press of St Bs
The President, Kg's Lang St
The Superintendent
The Supt Gen Stationery

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. 1030-41—L. B. 14-16-2, dated 2nd August 1916.

Audit of District Fund Accounts.

Passes orders on the memo of instructions from the Comptroller for the guidance of the Finance Committees of the District Boards and a set of questions to be answered by them relating to the—.

W D 404—GPB—21-8-16—350

S. O. 1

Audit of District Fund Accounts.

No. 1030-41—L. B. 14-16-2, DATED 2ND AUGUST 1916.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

READ—

Letter No. L. A. D. 1315 of 30th June 1916, from the Comptroller to Government submitting a memo * of instructions for the guidance of the Finance Committees of the District Boards and a set of questions to be answered by them as embodying the result of their audit of the District Fund Accounts.

* Printed in extenso as appendix.

Order No. 1030-41—L. B. 14-16-2, dated 2nd August 1916.

The memo of instructions and the set of questions are approved and appended to this order.

2. Government hope that this will enable the Finance Committees of District Boards to thoroughly and carefully check the District Fund Accounts every month.

3. In order to ensure that the monthly accounts are punctually and properly prepared and the audit thereof by the Finance Committees is regularly conducted, Government direct that the fair copy of the monthly account to be sent to the Comptroller every month be signed by the Chairmen or Members of the Finance Committees in token of the examination of the accounts. The audit notes with the remarks of the Vice-President or the President should be placed before the District Boards for review at their meetings and copies thereof sent to Government along with the Proceedings of the Boards.

4. The Comptroller is requested to arrange with the Superintendent of the Government Press and Stationery to get a sufficient number of copies of the memo of suggestions and the list of questions printed and supplied to the Presidents.

L. KRISHNA RAO,
Offg. Secy. to Govt., Rev. Dept.

To—The Comptroller, Mysore Government.
The Presidents of District Boards.
The President, Kolar Gold Fields Sanitary Board.
The Superintendent, Government Press.
The Superintendent, Government Stationery.

Exd.—C. R.

18. The Finance Committee may of course examine any registers or other records, not specifically mentioned here, with a view to detect and put a stop to irregularities or malpractices that may be suspected to have been committed, and frame additional questions for being answered by them.

19. After the completion of the audit above described the members of the Committee should affix their signature in the general cash book in token of their examination, and prepare a complete set of answers to the printed questions, Parts I to IV, for submission to the District Board and needful further action. No separate audit report need be drawn up by them except when they consider it necessary to refer to irregularities noticed by them or to make suggestions for the consideration of the Board.

B. QUESTIONS TO BE ANSWERED BY THE FINANCE COMMITTEE.

PART I.

1. *Cash Book, Form No. 5, Rule 83.*

(1) Is it posted up-to-date?

(2) Has it been closed for the month under audit, signed by the President or Vice-President, and the closing balance agreed with the Treasury pass book as required in Rule 124?

(3) Has a chellan been obtained for every entry of receipt and have all such chellans been properly filed? Mention the omissions, if any.

(4) Has any item of money which appears to have been collected by reference to the original receipts or other records been omitted to be brought on the cash book or remitted to treasury? If so, why?

(5) Is a bill (voucher) obtained in support of every debit entry and is it serially numbered?

(6) Are all the bills supported by proper payees' receipts either separately taken or recorded on the bills themselves?

(7) Mention the instances where proper payee receipts have not been obtained and the reasons therefor as far as they can be ascertained.

2. *Petty Cash Book.*

(1) Is it written up-to-date and are the balances struck daily and verified?

(2) Has every entry in it been initialled by the President or Vice-President.

(3) What is the balance of cash, cheques, etc., on hand on the date of examination and does it agree with the balance as shown in the book?

(4) In whose custody is the money kept; if the money is in the custody of any official subordinate to the President or Vice-President has proper security been obtained from him?

(5) What are the details for the cash balance on hand? Mention the amounts under the several heads, revenue received but not remitted, undisbursed pay, etc., imprest and, other items.

(6) Has any amount of money received in cash or by cheque on account of pay or travelling allowance or as payable to contractors been kept on hand for over a month and, if so, why?

(7) Mention the reasons for keeping on hand of any items of revenue or other receipts unremitted to treasury.

(8) Mention the omissions, if any noticed of instances of money or cheques received in the office but not recorded in the petty cash book.

(9) Are the recoupments of imprest and the daily total of receipts and payments on account of pay and travelling allowance regularly incorporated in the petty cash book?

3. *Imprest Account or Contingent Register, Form No. 21.*

(1) Is a regular imprest account or permanent advance or contingent register maintained and posted up-to-date?

(2) Does the imprest balance shown in this book agree with the details shown in reply to question 2 (5)?

(3) Is the imprest regularly recouped at least once a month?

(4) Are there any advances or irregular payments made out of it, and unadjusted?

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4. *Acquittance Roll.*

(1) Has an acquittance roll been maintained for recording the disbursement of pay and travelling allowance to employees, and are regular acquittances taken in all cases (with receipt stamps also for payments exceeding Rs. 20) ?

(2) Does the total of undisbursed pay, etc., as per this book agree with the balance shown in reply to question 2 (5) ?

(3) Is undisbursed pay outstanding at the end of each month invariably shortdrawn in the next month's bill.

(4) Is the establishment pay drawn as per scale provided for in the budget, and shown in an establishment pay or check register ? Form No. 7.

(5) Is insurance premium payable by the establishment regularly recovered and remitted to treasury.

5. *File of bills and vouchers.*

(1) What are the records produced for examination ?

(2) Are they in continuous series ?

6. *Receipt books, etc.*

(1) What are the several books produced for examination ?

(2) Are they in continuous series ?

(3) Are printed receipt books having counterfoils been invariably used in respect of all cases of receipts received from the public ?

PART II.—*Expenditure Audit.*

(1) Are all the bills serially numbered for each month according to dates of payment, and are the references given in the cash book ? *Vide* Rule 110

(2) Do they bear the pay orders ? *Vide* Rule 109.

(3) Are all of them supported by proper payees' receipts or other legal acquittances, either recorded on them or obtained separately ? If not, mention the omissions.

(4) Are the establishment bills drawn according to the scale provided for in the sanctioned budget and entered in an establishment check or pay register ? (Form No. 7, Rule 86) Are they copied out exactly in the acquittance roll ? *Vide* also question 4 (4), Part I.

(4*a*) Are the pay and allowances drawn in accordance with rules ? *Vide* Rule 86.

(5) Is every establishment bill (original) accompanied by an absentee statement or contra certificate ?

(6) Is an increment or conveyance certificate attached in all cases where the bill includes claims on account of periodical increments granted or conveyance allowance drawn ?

(7) In the supplemental bills drawn for arrear claims are the references to the original bills in which the claims were held over for future payment or in which undisbursed pay was refunded, invariably given ? Are there any arrear claims relating to pay, travelling allowance commission to pound-keepers, shanbhogs and patels and lighting charges unnecessarily pending ?

(8) Has note of the payment of such claims been made against the corresponding entry in the original bill to guard against second claims being prepared and passed ?

(9) In cases of arrear claims exceeding two years has sanction of Government been obtained ?

(10) Are any travelling allowance claims paid without Comptroller's authority ? Rule 86 (*b*).

(11) Are all travelling allowance bills prepared and paid copied out in the acquittance roll or in a separate register so as to guard against double claims being preferred ?

(12) Are the amounts drawn on contingent bills' Form No. 9, Rule 86(*c*), provided for in the budget ?

(13) Has every contingent charge been duly sanctioned by competent authority, the President or other subordinate officer authorised by him, the Board or Government as the case may be in accordance with Rules 154 to 157.

(14) Have the purchases of articles of a non-perishable nature been duly entered in a stock account ?

(15) In respect of pound and other commission bills, bills for refund of feeding charges, refund of net sale proceeds of impounded cattle sold and credited to revenue as lapsed, refund of revenue received and refund of deposits, etc., have the bills been prepared in the prescribed form ?